

US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: Readers Digest

PARTNER/VAD NAME:

SECTION I - Approval Requests:

Incremental requests to previous HQAPP approval:

1. **HQAPP Request:** Add 2 additional year of support cap at 4% to the previous hqapp approval of 2 renewal years at flat rate.

Justification: Peoplesoft has come back aggressively at Reader's Digest to try to save their HRMS customer. They have offered 5 yrs of support caps and free consulting to move Readers from psft 7 to psft 8. CIO has comitted to the oracle project if we can give him 4 yrs of protection on support cap – he will have a total of 5 yrs including the first year of support provided for on the order doc and will be comfortable to move forward with Oracle.

2. **Joel Summers Request** – modification to previously aproved change to Person metric definition. The currently approved language for "Person" metric is: "For the purposes of this Ordering Document, Person shall be defined as the following: "Person: is defined as the Customer's employee or contractor who is actively working on behalf of the Customer's organization and continues to be paid through the system. "

Seeking approval to change the definition to add clarity to the phrase "paid through the system" – customer feels that this phrase is too vague. Suggested language: *"For the purposes of this ordering document, notwithstanding the licence definition and rules, Person shall be defined as the following: Person; is defined as the customer's employee or contractor who is actively working on behalf of the customer's organization and continues to be paid through the system (i.e., payroll processed by the Oracle HR system and/or Oracle HR system summarizes biweekly/monthly deduction and or tax information). Licences are required only for individuals that meet the definition of Person.*

Justification: Customer's attorney feels that the previously approved language is too vague around the "paid through the system" phrase and wants to add specifics so that language is more clear around what "paid through the system" means. Customer is not buying oracle payroll and will be dependent on posting bi-weekly and monthy payroll gross to net and deduction info from a 3rd party payroll services. The attorney feels that his last suggested sentence, "licenses are required only for individuals that meet the definition of Person" provides additional clarity to the defintion.

- 3 **Sales Rep approval and International notification Form required:** World Wide Use – WorldWide definition "subject to export controls" and an estimated usage per country is listed in the ordering document. All apps and technology purchased on this ordering document will be for use in the USA.

Justification: customer has executed 2 other oracle order docs in the last 3 yrs with the same language and wants to keep the language consistent with other order docs as well as keep their options open to be able to buy licenses per the price hold for potential international rollout after successful US rollout of this order doc.

The following requests have already been approved by HQAPP

HQAPP Requests:

1. Addition of Language to address that the License Definition and Rules are associated only with the items in Section A of the Ordering Document



2. Amend the Definition of Person in the License Definitions per the approval from Joel Summers that is copied in the attached email..

Standard

Person: is defined as your employee or contractor who is actively working on behalf of your organization or a former employee who has one or more benefit plans managed by the system or continues to be paid through the system. For Time and Labor, a person is defined as an employee or contractor whose time or labor (piece work) or absences are managed by the system. For Project Resource Management, a person is defined as an individual who is scheduled on a project. The total number of licenses needed is to be based on the peak number of part-time and full-time people whose records are recorded in the system.

Proposed Language as approved by Joel Summers:

Person: is defined as your employee or contractor who is actively working on behalf of your organization and continues to be paid through the system

Justification: Readers Digest has no former employees with on going benefits such as Cobra.

3. Amend Ordering Document Page 3 section C1, second sentence, Customer Reference, to insert "for so long as customer continues to utilize the software" after "promotional activities". To read as follows:

In addition Customer agrees to become part of Oracle's reference program by working with a per from Oracle Marketing to develop a customer profile for use on Oracle.com and for other promotional activities **for so long as customer continues to utilize the software** at Oracle's discretion.

TIER 1 Requests:

1. Remove minimum purchase of \$50,000 for Price Holds – Customer is not willing to agree to any stated minimum.

Previously approved requests (5/21/03!):

1. Discount 64% (extra 4% to cover free financing)
2. Price Hold for 3 year of 60% with \$50,000 Minimum Purchase for items on Order Form
3. Support held flat for 3 years

SECTION II – Deal Summary:

Deal Summary	
Programs	Enterprise Edition, Partitioning, iAS, Developer, Discoverer, Financials, HR, Self Service HR, Advanced Benefits, HR Intelligence, Training Admin
License Discount	64 (ebiz + 39) Deal at 60%, 4 points additional to cover financing
Support Discount	64 (ebiz + 39)
Comp & Admin Discount	
Phased Implementation for Comp & Admin?	See checklist below and forward a spreadsheet to NASINFO/OGEHINFO
Subset of Users	See checklist below and forward a spreadsheet to NASINFO/OGEHINFO
Support Options/Holds	3 year flat
Price Holds	Price Hold for 3 year of 60% with \$50,000 Minimum Purchase for items on Order Form
List License	\$1,331,475
List Support	\$292,924
List Comp & Admin	
Net License	\$479,331

Net Support	\$105,452
Net Comp & Admin	
Net Total Price	\$584,783
Price List Used	March 24

Customer History - Existing Price Holds	
Existing contractual discount (price hold)	%
Date of Price List for price hold	
When does price hold expire?	
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	
Name of Agreement if applicable	

SECTION III – Justification:

Peoplesoft Replacement for HR. Readers Digest is an Oracle Financial and ERP customer with Peoplesoft HR. This was a very competitive situation and we were able to uproot Peoplesoft.

This opportunity started as a psft HR replacement and the tech team was able to upsell considerably on the Tech side. Although the apps oppty on this is relatively small, Reader's is a current psft HR customer, so the deal is also strategic to the East Apps team.

Seeking approval for 64% worst case discount - deal will be done at 60% and financed. Requires 4 additional pts to cover funding.

Recommendation: approved provided Joel agrees.

Submitted By: *Cochran, Block*

R: 5.28.2003

C: 5.28.2003

L: 5.28.2003

A: 5.28.2003

BP: ra